



Slate Group Plans a 170-Unit Rental Bldg on Key Food Site in Forest Hills

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Slate Property Group is planning a 170-unit rental building on the site of a Key Food supermarket in Queens' Forest Hills neighborhood, reports The Real Deal.

Slate Property Group, a Midtown East-based developer, filed demolition permits last week for the one-story supermarket, Key Foods, at 69-65 Yellowstone Boulevard, which will be replaced by an 11-story, 230,000-square-foot structure, says The Real Deal.

According to The Real Deal, the new structure is expected to hold 40,000 square feet of retail, across the ground floor, where the supermarket now is, and the lower level.

According to property records, Slate formed a joint venture with the Gross and Grobman families—owners of the Key Foods building—in May, instead of buying the site outright; both families worked together last year on another project, an eight story, 114-unit in Clinton Hill.

Partnerships between developers and non-real estate entities are proliferating citywide due to the rising property values, a lack of affordable land and property owners looking to get a piece of the jackpot from development, reports The Real Deal.

“You’re usually capped on your loan-to-cost capital, but if your land is equity, you can borrow more on the other stuff,” said Michael Falsetta, executive vice president at commercial appraisal firm Miller Cicero. “So the idea is, it reduces the developer’s equity requirements and raises the internal rate of return.”

According to The Real Deal, Slate plans to file new building plans in the next couple months and break ground on the building, designed by Aufgang Architects, by next summer and to be finished by 2020.

“We realized a few years ago that as land prices were getting out of control, it was hard to buy land that made sense,” said Slate co-founder David Schwartz, who added that his company has done half a dozen joint venture deals with longtime property owners in recent years, reports The Real Deal. “Land owners in Brooklyn own at a low basis. ... We can structure deals whereby they retain some or part of the real estate and can also collect their money.”

According to The Real Deal, Martin Nussbaum and David Schwartz have been involved in over \$1.5 billion in property acquisitions and became one of the city's most active residential developers, since they founded Slate in 2013.

Their projects include a 183-unit rental at One Flatbush in Downtown Brooklyn and a 125-unit rental in Ridgewood Queens, reports The Real Deal.